

# AMP MySuper 1980s

## Quarterly Investment Option Update

30 June 2016

### Aim and Strategy

The aim of this investment option is to provide returns primarily from capital growth with some income over the long term through a diversified portfolio. This investment option is an aged-based investment, meaning that the strategy of this investment option will change progressively over an investor's lifetime to meet the objective of the average investor born during the 1980s.

Initially, this investment option will hold a higher allocation to growth assets. As the investor approaches retirement, the investment option will progressively shift to preserve capital through a higher allocation to defensive assets.

The asset classes and asset allocation benchmark and ranges are determined with reference to the investment option's stage of its lifecycle – the time horizon to retirement and the investors' capacity to take on risk. Therefore the asset class allocations below will vary over time.

As at 1 January 2014, this investment option aims to achieve a rate of return above Consumer Price Index of 5.0 per cent, after fees and superannuation tax, over a 10 year period.

International investments may be partially or fully hedged back to Australian dollars. Subject to certain conditions, the underlying investments may use derivatives (such as options, futures, forwards and swaps) and engage in short selling.

The performance benchmark is the average weighted return of the benchmark indices used for each asset class.

### Investment Option Performance

To view the latest investment performances please visit [www.amp.com.au](http://www.amp.com.au)

#### Availability

Product name	APIR
<a href="#">AMP Flexible Lifetime Super</a>	AMP1902AU
<a href="#">CUSTOM SUPER</a>	AMP1902AU
<a href="#">METCASH SUPERANNUATION PLAN</a>	AMP1902AU
<a href="#">Signature Super</a>	AMP1890AU
<a href="#">Super Leader</a>	AMP1896AU

Asset Allocation	Benchmark	Range (%)
Australian Shares	34	25-45
Global Shares	33	25-45
Growth Alternatives	15	0-22
Australian Property	5	0-15
Global Property	4	0-14
Global Infrastructure	4	0-27
Defensive Alternatives	0	0-12
Australian Bonds	4	0-25
Global Bonds	0	0-20
Cash	1	0-25

#### Investment Option Overview

<b>Investment category</b>	Diversified
<b>Suggested investment timeframe</b>	10 years
<b>Relative risk rating</b>	Medium - High
<b>Investment style</b>	Active

Top Ten Australian Shares Exposure	%
Commonwealth Bank of Australia	8.89
Westpac Banking Corp	6.80
Australia & New Zealand Banking Group Ltd	5.03
National Australia Bank Ltd	4.49
BHP Billiton Ltd	4.36
Telstra Corp Ltd	3.93
Wesfarmers Ltd	3.23
Suncorp Group Ltd	3.09
Rio Tinto Ltd	3.06
Brambles Ltd	2.69

Top Ten International Shares Exposure	%
APPLE INC	1.53
Alphabet Inc	1.23
MICROSOFT CORP	1.16
Exxon Mobil Corp	1.03
Amazon.com Inc	0.84
Johnson & Johnson	0.82
Facebook Inc	0.80
Nestle SA	0.79
Procter & Gamble Co/The	0.79
WELLS FARGO & COMPANY	0.73

Actual Allocation	%
International Shares	33.17
Australian Equities	30.62
Others	17.56
Cash	7.42
Direct Property	4.12
Australian Fixed Interest	3.87
International Listed Property	3.25

### Investment Option Commentary and Outlook

AMP MySuper 1980s returned 2.3% for the June quarter, even with Australian and international markets experiencing a highly volatile period due to key geopolitical events.

For the Australian share market, the Reserve Bank of Australia's decision to cut the official interest rate to record lows in May and the improvement in commodity prices helped drive share returns for the first half of the quarter. The shock Brexit decision in June halted this swell, but the market still concluded the quarter up nearly 4.0% on the back of earlier quarterly gains. Global shares were supported by similar factors, with central bank decisions, commodity prices and Brexit all influencing share price performance throughout the quarter. The depreciation of the Australian dollar also resulted in stronger international share performance for Australian investors.

The important role of diversification played out through the quarter, sustaining returns in a volatile environment. Our allocations towards safe yield-focused assets such as direct property and infrastructure, listed property and fixed interest (both domestic and international) ended the quarter with positive returns, and similar results were also reported in our hedge fund strategies.

With market uncertainty set to continue for the foreseeable future, we continue to favour cash in the defensive component of the option to provide further protection. Whilst this weighed on returns over the period, we continue to believe bonds are fully priced and will remain low over the longer term. Share exposure remains at a neutral level, with a bias towards international shares, particularly towards European and emerging market shares where valuations remain more attractive and the potential for upside remains greater.

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